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WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2004

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Franklinton, Louisiana

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CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

Honorable Randall Seal
Washington Parish Assessor
Franklinton, Louisiana

I have audited the accompanying financial statements of the governmental activities and the major fund of the Washington Parish Assessor, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2004, which collectively comprise the Assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Assessor's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

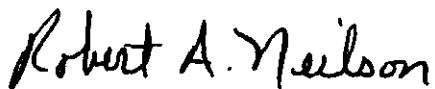
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Washington Parish Assessor as of December 31, 2004, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Washington Parish Assessor implemented a new financial reporting model, as

required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*, as of January 1, 2004.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 1, 2004 on my consideration of the Washington Parish Assessor's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 7 and on pages 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.



Certified Public Accountant

Bogalusa, Louisiana
June 1, 2005

WASHINGTON PARISH ASSESSOR
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2004

This section of the annual financial report presents our discussion and analysis of the Assessor's financial performance during the year ended December 31, 2004. Please read it in conjunction with the financial statements and the accompanying notes to those financial statements. This discussion and analysis does not include comparative data as all government-wide data is not available for prior years.

FINANCIAL HIGHLIGHTS

- The Assessor's assets exceeded its liabilities by \$930,517 (net assets) at December 31, 2004
- Revenue decreased approximately 24% primarily due to a reduction in funding by the parish government
- Expenses increased approximately 2.9% primarily due to an increase in salaries and related benefits

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Assessor's financial statements. The Assessor's financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Assessor's finances in a manner similar to private sector business. They present the financial picture of the Assessor from an economic resources measurement focus using the accrual basis of accounting.

The statement of net assets presents information on all the Assessor's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets should serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating.

The statement of activities presents information showing how net assets changed during the fiscal year using full accrual basis accounting. All revenues and expenses are reported in this statement regardless of when cash is received or paid.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Assessor has one type of fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund statements provide a short-term view of the Assessor's general government operations. The Assessor uses one governmental fund, the general fund, to account for its operations.

Notes to the basic financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Assessor's net assets at December 31, 2004 are summarized below.

	<u>Governmental Activities</u>
Current and other assets	\$ 826,746
Capital assets (net of accumulated depreciation)	<u>106,266</u>
Total assets	<u>933,012</u>
Current and other liabilities	2,495
Long-term liabilities	<u>-</u>
Total liabilities	<u>2,495</u>
Net Assets:	
Invested in capital assets, net of related debt	106,266
Unrestricted	<u>824,251</u>
Total net assets	<u>\$ 930,517</u>

The largest components of total assets are receivables of \$657,694 or 70%. Capital assets, net of accumulated depreciation are \$106,266 or 11% of total assets. Capital assets are non-liquid assets and cannot be utilized to satisfy the Assessor's obligations.

Approximated 89% or \$824,251 of the Assessor's net assets are unrestricted. Governmental activities decreased the Assessor's net assets by \$49,779 in the year ended December 31, 2004. A condensed Statement of Activities is presented below.

	<u>Governmental Activities</u>
Revenues:	
Property taxes	\$ 583,035
Other revenues	<u>82,673</u>
Total revenues	<u>665,708</u>
Expenses:	
Salaries and related benefits	575,786
Other expenses	<u>139,701</u>
Total expenses	<u>715,487</u>
Change in net assets	(49,779)
Net assets-beginning	<u>980,296</u>
Net assets-ending	<u>\$ 930,517</u>

Property taxes are approximately 88% of total revenues.

Salaries and related benefits are approximately 80% of total expenses.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The general government functions are reported in the general fund. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The fund balance of the general fund decreased by \$63,403 during the year ended December 31, 2004. At the end of the current year, the total fund balance of \$824,251 was unreserved.

The total revenues of \$665,708 are the same as reported in the government-wide statement of activities. The difference between

the general fund expenditures and the expenses on the statement of activities are in the reporting of capital expenditures and depreciation.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget was prepared in accordance with the provisions of the Local Government Budget Act. The budget was amended on December 1, 2004

The following are significant variations between the budget and actual amounts.

1. Actual property tax revenues exceeded budgeted property tax revenues by \$16,796.
2. Total actual expenditures exceeded total budgeted expenditures by \$21,248.

CAPITAL ASSETS

Capital Assets. The following summarizes the Assessor's investment in capital assets at December 31, 2004.

	Governmental
	<u>Activities</u>
Capital assets	\$ 197,929
Less accumulated depreciation	(91,663)
Capital assets, net	<u>\$ 106,266</u>

During the year ended December 31, 2004, the Assessor purchased \$36,207 of equipment.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary source of revenue for the Washington Parish Assessor's office is based on a proportionate share of the taxes levied by the various taxing bodies of the parish. In the short-term, this type of tax is not subject to the changes in the economy. However, in the long-term, significant increases/decreases in the tax base would be evident. The value in the parishes' taxable property is continually increasing due to economic growth. The continued rising cost of health and retirement benefits are contributing factors that may affect the Assessor's budget. However, capital expenses for FY 2005 are expected to be minimal due to the purchase of equipment in 2004.

Therefore, future revenues and expenditures are expected to stabilize.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Assessor's finances and to demonstrate the Assessor's accountability for the money it receives. If you have questions about this report or need additional information, contact M. Randall Seal, Assessor, 908 Washington Street, Franklinton, LA 70438.

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana
Statement of Net Assets
December 31, 2004

ASSETS

Cash and cash equivalents	\$ 169,052
Receivables	657,694
Capital assets, net of accumulated depreciation	<u>106,266</u>
Total Assets	<u>933,012</u>

LIABILITIES

Accounts payable	<u>2,495</u>
Total Liabilities	<u>2,495</u>

NET ASSETS

Invested in capital assets	106,266
Unrestricted	<u>824,251</u>
Total Net Assets	<u>\$ 930,517</u>

The accompanying notes are an integral part of this financial statement.

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana
Governmental Funds
Statement of Activities
For the Year Ended December 31, 2004

EXPENSES

General government-taxation:

Salaries and related benefits	\$ 575,786
Materials and supplies	13,287
Operating services	86,603
Travel and other charges	17,228
Depreciation	<u>22,583</u>

Total Expenses 715,487

GENERAL REVENUES

Property taxes	583,035
State revenue sharing	64,319
Interest earnings	6,393
Other revenues	<u>11,961</u>

Total General Revenue 665,708

CHANGE IN NET ASSETS (49,779)

NET ASSETS - BEGINNING OF YEAR 980,296

NET ASSETS - END OF YEAR \$ 930,517

The accompanying notes are an integral part of this financial statement.

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana
Governmental Fund Balance Sheet
December 31, 2004

ASSETS

Cash and cash equivalents	\$ 169,052
Receivables	<u>657,694</u>

Total Assets	<u>\$ 826,746</u>
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LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	<u>\$ 2,495</u>
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Total Liabilities	2,495
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Fund Balance:

Unreserved	<u>824,251</u>
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Total Fund Balance	<u>824,251</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 826,746</u>
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The accompanying notes are an integral part of this financial statement.

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Governmental Fund

Reconciliation of the Balance Sheet to the Statement of Net Assets

December 31, 2004

Fund Balance - Governmental Fund \$ 824,251

Amounts reported for governmental activities
in Statement of Net Assets are different
because:

Capital assets used in governmental
activities are not financial
resources and therefore are not
reported in the governmental fund

Governmental capital assets	\$ 197,929	
Less accumulated depreciation	(<u>91,663</u>)	
		<u>106,266</u>

Net Assets of Governmental Activities \$ 930,517

The accompanying notes are an integral part of this financial statement.

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana
Governmental Fund - General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2004

REVENUES

Property taxes	\$ 583,035
State revenue sharing	64,319
Interest earnings	6,393
Other	<u>11,961</u>

Total Revenues	<u>665,708</u>
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EXPENDITURES

Salaries and related benefits	575,786
Materials and supplies	13,287
Operating services	86,603
Travel and other charges	17,228
Capital outlay	<u>36,207</u>

Total Expenditures	<u>729,111</u>
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**EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES**

(63,403)

**FUND BALANCE AT BEGINNING
OF YEAR**

887,654

FUND BALANCE AT END OF YEAR

\$ 824,251

The accompanying notes are an integral part of this financial statement.

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities

Governmental Fund

For the Year ended December 31, 2004

Net changes in Governmental Fund Balance	(\$ 63,403)
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Amounts reported for governmental
activities in the statements of net
assets are different because:

Governmental funds report capital
outlays as expenditures; however,
in the statements of activities,
the cost of those assets is
depreciated over their estimated
useful lives

Expenditures for capital assets	36,207
Current year depreciation	(<u>22,583</u>)

Change in Net Assets of Governmental Funds	(<u>\$ 49,779</u>)
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The accompanying notes are an integral part of this financial statement.

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana

Notes to the Financial Statements

INTRODUCTION

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four-year term. The assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

The assessor's office is located in the Washington Parish Courthouse in Franklinton, Louisiana. The assessor employs ten employees including nine deputies. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2004 there were 26,004 real property and movable property assessments totaling \$126,852,090 and \$36,097,650, respectively. There was an increase of 558 real property assessments and a total increase of \$8,672,830 in assessed value over the prior year caused primarily by an increasing number of new businesses, construction and rising property values in the parish during the year. There was a decrease of 35 personal property assessments and a total decrease of \$2,041,520 in assessed value from the prior year caused primarily by equipment being removed from service by Gaylord Container Corp., the parish's largest taxpayer.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Washington Parish Assessor have been prepared in conformity with

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The assessor is an independently elected official; however, the assessor is fiscally dependent on the Washington Parish Government. The parish government maintains and operates the parish courthouse in which the assessor's office is located and provides funds for equipment and furniture of the assessor's office. In addition, the parish government's financial statements would be incomplete or misleading without inclusion of the assessor. For these reasons, the assessor was determined to be a component unit of the Washington Parish Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the Washington Parish Government, the general government services provided by that governmental unit, or the other governmental units that compromise the financial reporting entity.

C. FUND ACCOUNTING

The assessor uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain tax assessment functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the assessor's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The differences between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the assessor.

The general fund is the primary operating fund of the assessor and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the assessor's policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the general fund on pages 10 and 12 are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the assessor's operations.

The amounts reflected in the general fund on pages 10 and 12 use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. The taxes are recognized as revenue in the year they are assessed, and generally are collected in December of the current year and January and February of the ensuing year. Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. State revenue sharing is appropriated by the legislature at the end of the calendar year and is recorded in the year of appropriation. Other revenues are recorded in the period received due to the nature of the transactions.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets on page 8 and the Statement of Activities on page 9 display information about the assessor as a whole. These statements include all the financial activities of the assessor. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

E. BUDGETS

The Washington Parish Assessor adopts an annual budget for the General Fund on the modified accrual basis of accounting for revenues and expenditures. The original proposed budget for

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

2004 was published in the official journal and made available for public inspection on November 19, 2003. The public hearing for the proposed budget was held on December 3, 2003 and the budget was adopted on December 3, 2003. Formal budget integration is not employed as a management control device during the year. All appropriations lapse at year end.

The assessor reserves all authority to make changes to the budget. There was one amendment to the original budget in 2004. Budgeted amounts in the accompanying financial statements include the revised budget.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits. Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The assessor maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building improvements	25 years
Furniture and equipment	5-20 years
Vehicles	5 years

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

H. COMPENSATED ABSENCES

All employees of the assessor's office earn from five to twenty days of vacation leave each year, depending on the length of service. Vacation leave must be taken during the year earned. However, upon termination or retirement, employees are paid for unused vacation leave earned during the year. All full-time employees earn 12 days of sick leave each year. A total of 45 days of sick leave can be accumulated. All accumulated sick leave lapses upon termination. There were no accumulated and vested leave benefits required to be reported in accordance with GASB Statement No. 16 at December 31, 2004.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. CHANGES IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2004 the Assessor has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

GASB Statement 34 creates new basic financial statements for reporting on the Assessor's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which had been the method of presentation in previously issued financial statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2003 to be restated in terms of Net Assets as follows:

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

Governmental Funds' Fund Balance, December 31, 2003		\$ 887,653
Add: Capital Asset as of December 31, 2003		
Cost	\$ 257,067	
Adjustments	(27,982)	
Balance, December 31, 2003		
(as adjusted)	229,085	
Accumulated Depreciation	(136,442)	92,643
Net Assets at December 31, 2003		<u>\$ 980,296</u>

3. LEVIED TAXES

The Washington Parish Assessor is authorized to levy up to 5.37 mills in ad valorem taxes. A 5.37 mill ad valorem tax was levied for the year ended December 31, 2004.

The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
1. Gaylord Container Corp.	Paper mill	\$18,980,030	12%
2. Entergy Louisiana, Inc.	Power company	8,263,750	5
3. Florida Gas Transmission Co.	Pipelines	<u>7,785,660</u>	<u>5</u>
Total		<u>\$35,029,440</u>	<u>22%</u>

The total assessed valuation for all taxpayers at December 31, 2004 was \$162,949,740. This figure was used in calculating the percentage of the "assessed valuation of each of the largest taxpayers" to the "total assessed valuation for all taxpayers".

4. CASH AND CASH EQUIVALENTS

At December 31, 2004, the assessor had cash and cash equivalents (book balance) totaling \$169,052 as follows:

Interest-bearing demand deposits	\$ 24,760
Time deposits	122,291
Funds deposited with Louisiana Asset Management Pool	<u>22,001</u>
Total	<u>\$ 169,052</u>

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

These deposits are stated at cost. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2004 the assessor had \$150,557 in deposits (collected bank balances) and \$22,001 in the Louisiana Asset Management Pool. These deposits are secured from risk by \$128,266 of federal deposit insurance and \$25,357 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

Investments held at Bank One consist of \$22,001 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at Bank One is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U.S.

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A) (1) (h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consist of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. These investments are classified as cash equivalents in the accompanying financial statements.

5. RECEIVABLES

The receivables of \$657,694 at December 31, 2004 are as follows:

Class of Receivable

Ad valorem taxes	\$614,815
State revenue sharing	<u>42,879</u>
Total	<u>\$657,694</u>

Ad valorem taxes receivable are recorded net of any estimated uncollectible amount.

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

6. CAPITAL ASSETS

	<u>Building Improvements</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost at December 31, 2003 (as reported in the general fixed asset account group	\$ 45,652	\$ 176,331	\$ 35,084	\$ 257,067
Items below the established capitalization threshold for capital assets and adjustments	-	(27,983)	-	(27,983)
Cost of Capital Assets, December 31, 2003	45,652	148,348	35,084	229,084
Accumulated depreciation, December 31, 2003	15,922	117,012	3,508	136,442
Capital assets, net of accumulated depreciation, at December 31, 2003	<u>\$ 29,730</u>	<u>\$ 31,336</u>	<u>\$ 31,576</u>	<u>\$ 92,642</u>

Capital assets and depreciation activity as of and for the year ended December 31, 2004 are as follows:

	<u>Building Improvements</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of Capital Assets, December 31, 2003	\$ 45,652	\$ 148,348	\$ 35,084	\$ 229,084
Additions	-	36,207	-	36,207
Deletions	-	(67,362)	-	(67,362)
Cost of Capital Assets, December 31, 2004	45,652	117,193	35,084	197,929
Accumulated depreciation, December 31, 2003	15,922	117,012	3,508	136,442
Additions	2,109	13,457	7,017	22,583
Deletions	-	(67,362)	-	(67,362)
Accumulated depreciation, December 31, 2004	<u>18,031</u>	<u>63,107</u>	<u>10,525</u>	<u>91,663</u>
Capital assets, net of accumulated depreciation, at December 31, 2004	<u>\$ 27,621</u>	<u>\$ 54,086</u>	<u>\$ 24,559</u>	<u>\$ 106,266</u>

For the year ended December 31, 2004, depreciation expense was \$22,583.

7. PENSION PLAN

Plan Description. Substantially all employees of the Washington Parish Assessor's office are members of the Louisiana Assessor's

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or who retire at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and who do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Funding Policy. Plan members are required by state statute to contribute 8% of their annual covered salary and the Washington Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 14.5 % of annual covered payroll. The assessor now has the option of paying the 8% employee portion directly instead of withholding the funds from the employee's checks. The assessor currently pays both the employee and employer portion of the pension contribution. Contributions to the System also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Washington Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Washington Parish

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

Assessor's contributions to the System for the years ending December 31, 2004, 2003 and 2002, were \$90,409, \$88,403, and \$74,536, respectively, equal to the required contributions for each year.

8. DEFERRED COMPENSATION PLAN

The assessor offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan is administered by the Louisiana Deferred Compensation Commission. The plan, available to all full-time employees of the assessor, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Great West Life & Annuity Insurance Co. for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute up to 100% of their salary with the assessor matching up to 4.5% of compensation. Maximum annual contributions for participants under age 50 and for participants age 50 and older may not exceed \$13,000 and \$16,000 respectively. All contributions are immediately vested. The assessor contributed \$17,599 to the plan during the year ended December 31, 2004.

9. OTHER POST-EMPLOYMENT BENEFITS

The Washington Parish Assessor provides hospitalization and cancer insurance at 100 percent for all retired employees but does not pay for the coverage of their dependents. To be eligible for post-employment benefits, the employee must have been a full-time employee and eligible for retirement benefits from the Louisiana Assessors' Retirement System.

The Washington Parish Assessor provides these benefits on a pay-as-you-go basis. Currently, the Assessor is paying post-employment benefits for three retired employees. The assessor paid \$8,700 in hospitalization insurance premiums for the year ended December 31, 2004.

Retired employees are allowed to maintain dependent coverage of hospitalization and cancer insurance at their expense. Under

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Notes to the Financial Statements (continued)

this arrangement, the retired employee remits the applicable premium to the insurance carrier, excluding the Assessor from any involvement in the transaction.

10. EXPENDITURES FOR THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

Certain operating expenditures of the assessor's office are paid by the Washington Parish Government as required by Louisiana Revised Statute 33:4713. The assessor's office is located in the Washington Parish Courthouse, and the upkeep and maintenance of the courthouse are paid by the Washington Parish Government. These expenditures are not reflected in the accompanying financial statements.

11. LITIGATION

The Washington Parish Assessor was not involved in any litigation at December 31, 2004.

12. RISK MANAGEMENT

The assessor is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risk are covered, in part, by commercial insurance. Settlements have not exceeded insurance coverage in each of the past three years.

13. INTERGOVERNMENTAL AGREEMENT

During 1994, the Washington Parish Assessor entered into an intergovernmental agreement with the Washington Parish Police Jury, now the Washington Parish Government and other elected officials of the parish to provide security for the main courthouse building. Under the terms of the agreement, the assessor voluntarily contributes to the project the estimated share of the costs involved. The assessor paid -0- in 2004.

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana
Governmental Fund - General Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 569,930	\$ 566,239	\$ 583,035	\$16,796
State revenue sharing	65,940	65,075	64,319	(756)
Interest earnings	20,000	7,000	6,393	(607)
Other	<u>10,100</u>	<u>11,915</u>	<u>11,961</u>	<u>46</u>
Total Revenues	<u>665,970</u>	<u>650,229</u>	<u>665,708</u>	<u>15,479</u>
EXPENDITURES				
Salaries and related benefits	560,500	564,275	575,786	(11,511)
Materials and supplies	8,000	12,130	13,287	(1,157)
Operating services	67,470	81,638	86,603	(4,965)
Travel and other charges	15,000	13,340	17,228	(3,888)
Capital Outlay	<u>15,000</u>	<u>36,480</u>	<u>36,207</u>	<u>273</u>
Total Expenditures	<u>665,970</u>	<u>707,863</u>	<u>729,111</u>	<u>(21,248)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(57,634)</u>	<u>(63,403)</u>	<u>(5,769)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>891,509</u>	<u>887,654</u>	<u>887,654</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 891,509</u>	<u>\$ 830,020</u>	<u>\$ 824,251</u>	<u>(\$ 5,769)</u>

The accompanying notes are an integral part of this schedule.

ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON

MEMBER

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Randall Seal
Washington Parish Assessor
Franklinton, Louisiana

I have audited the financial statements of the governmental activities and the major fund of the Washington Parish Assessor, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2004, which collectively comprise the assessor's basic financial statements and have issued my report thereon dated June 1, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Washington Parish Assessor's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Washington Parish Assessor's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of current year audit findings as item 2004-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial

reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above and in item 2004-1 is considered to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Assessor's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance or other matter that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Washington Parish Assessor, the Washington Parish Government, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Robert A. Neilson

Certified Public Accountant

Bogalusa, Louisiana
June 1, 2005

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 2004

**Section 1 - Internal Control and Compliance Material to the
Financial Statements**

Reference No.

2004-1

Description of Finding

Inadequate Segregation of Duties

Corrective Action Planned

None - To employ such controls may not be cost beneficial

Name of Contact Person

Randall Seal

Anticipated Completion Date

None

Section II - Management Letter

None

WASHINGTON PARISH ASSESSOR
Franklinton, Louisiana

Summary Schedule of
Prior Audit Findings
For the Year Ended December 31, 2004

**Section 1 - Internal Control and Compliance Material to the
Financial Statements**

Reference Number	2003-1
Fiscal Year Finding Initially Occurred	December 31, 1994
Description of Finding	Inadequate Segregation Duties
Corrective Action Taken	No
Planned Corrective Action	None
Reference Number	2003-2
Fiscal Year Finding Initially Occurred	December 31, 2003
Description of Finding	The purchase of a vehicle was not properly advertised
Corrective Action Taken	There were no purchases of materials and supplied exceeding \$20,000 in 2004
Planned Corrective Action	Not applicable

WASHINGTON PARISH ASSESSOR

Franklinton, Louisiana

Summary Schedule of
Prior Audit Findings
For the Year Ended December 31, 2004

**Section 1 - Internal Control and Compliance Material to the
Financial Statements**

Reference Number	2003-3
Fiscal Year Finding Initially Occurred	December 31, 2003
Description of Finding	Wages paid in excess of accumulated sick leave
Corrective Action Taken	There were no violations of the expenditure restriction laws in 2004
Planned Corrective Action	Not applicable

Reference Number	2003-4
Fiscal Year Finding Initially Occurred	December 31, 2002
Description of Finding	Report on expenditures not timely filed with the parish governing authority and clerk of court
Corrective Action Taken	The required report for 2004 was timely filed
Planned Corrective Action	Not applicable